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*courage is contagious*

## Viewing cable 09SOFIA674, SCENESETTER FOR SPE MORNINGSTAR'S DECEMBER 4 VISIT

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09SOFIA674**.

Reference ID	Created	Released	Classification	Origin
<a href="#">09SOFIA674</a>	<a href="#">2009-11-25 14:30</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Sofia</a>

Appears in these articles:

<http://www.bivol.bg/wlbelene.html>

[http://www.capital.bg/politika\\_i\\_ikonomika/bulgaria/2011/04/29/1082317\\_mrusna\\_energiia/](http://www.capital.bg/politika_i_ikonomika/bulgaria/2011/04/29/1082317_mrusna_energiia/)

<http://wlcetral.org/node/1722>

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DE RUEHSF #0674/01 3291430

ZNY CCCCC ZZH

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FM AMEMBASSY SOFIA

TO RUEHC/SECSTATE WASHDC IMMEDIATE 6502

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

RUEAIIA/CIA WASHINGTON DC PRIORITY

RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY

RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY

RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 SOFIA 000674

SIPDIS

FOR SPE MORNINGSTAR

E.O. 12958: DECL: 11/23/2019

TAGS: [ENRG](#) [PGOV](#) [PREL](#) [BU](#)

SUBJECT: SCENESETTER FOR SPE MORNINGSTAR'S DECEMBER 4 VISIT  
TO BULGARIA

¶1. (C) Summary: Bulgaria has experienced a profound change in leadership and outlook since your visit in April. July national elections ushered in a reformist center-right government focused on fighting organized crime and corruption and putting the country's fiscal house in order. On energy, Prime Minister Borissov and his team want to break Sofia's traditionally-cozy relationship with Moscow and focus on diversification, transparency, and those projects with clear economic rationale. This has not been easy. The new government is facing entrenched domestic energy lobbies, weak institutional capacity and bureaucratic reluctance to carry out change and, in Russia, an irritated former partner that still supplies nearly 100 percent of Bulgaria's gas and nuclear fuel. PM Borissov seeks U.S. advice and support as he develops and implements his bold agenda. An update on Bulgarian energy issues is being sent via septel. End Summary.

¶2. (C) When PM Borissov swept to power in July his energy team immediately began to question Bulgaria's participation in the large-scale, Russian-proposed energy projects, including South Stream, the Belene Nuclear Power Plant and the Burgas-Alexandroupolis pipeline. In September Borissov told Russian PM Putin he would announce whether Bulgaria would proceed with these projects after an evaluation of whether they were in the Bulgarian national and commercial interest. While an announcement is likely to be made in December, it is clear that Belene is dead, at least for now, and the present government has little interest in Burgas-Alexandroupolis.

¶3. (C) South Stream is another issue. Upon taking office, the new government clearly wanted out of South Stream, seeing it as a Russian-dominated project with little economic rationale. The Russians put on a full court press to reaffirm Bulgarian participation, including a Putin-Borissov telcon and meeting and outreach by Russian Energy Minister Schmatko. When Borissov sought EU advice, it came in the form of pro-South Stream lobbying by Berlusconi and a steady stream of news of additional EU country participants in the project. In the face of this pressure (and with no one of Putin or Berlusconi's stature arguing otherwise) the Bulgarians began to view South Stream not as a Russian, but a European project, and this government did not want to be left out. We fully expect Bulgaria to continue as a participant in South Stream, but its participation will be low key.

¶4. (C) As one of the most energy-dependent countries in the region and the one hardest-hit by the January gas crisis, Bulgaria is also keenly focused on diversification. Strategies include Nabucco, interconnectors (Bulgaria will ask your help in securing EU funding for a Bulgarian spur to the TGI interconnector), and nuclear sector diversification, including possible participation in new reactor deployment. It is on the nuclear side that we have can have the most immediate impact. U.S. companies are lined up to offer alternative nuclear fuel supplies and domestic spent fuel storage capabilities, options that are quick, economical and high impact in terms of diversification.

#### YOUR MEETINGS

¶5. (C) You will meet with Bulgaria's senior leadership, the American business community, and key officials from the Ministry of Economy and Energy and Bulgarian Energy Holding tasked with carrying out the new government's energy policy. Your outreach to the local media will help us answer the Government's continued request that we express public support (and political cover) for Borissov's bold energy moves.

Prime Minister Boyko Borissov: The 50-year-old former mayor of Sofia is also a former bodyguard with a black belt in karate and an equally flamboyant personality. Instinctively and explicitly pro-U.S., he is a self-described

man-of-the-street. Your visit is partial answer to Borissov's September letter to President Obama asking for U.S. advice and engagement as the new government develops and implements its bold, new energy policy.

President Georgi Parvanov: The only representative of the old regime remaining in office, Parvanov is struggling to assert influence over a government that sees him as a

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representative of everything that was wrong with the former government. Before Borissov came to power, Parvanov effectively managed energy policy and brokered an ever-closer relationship with Russia (although that relationship soured somewhat after the January gas cut-off). Parvanov is openly critical of Borissov's new energy policy, saying it exposes Bulgaria as an unreliable partner.

Minister of Economy and Energy Traycho Traikov: The 39-year-old Traikov was a complete unknown when Borissov named him Economy and Energy Minister (after a long search that proved nearly impossible to find an energy sector specialist not beholden to the various Bulgarian energy lobbies). A former financial manager in the electrical distribution sector, Traikov is quiet and keeps his own counsel. Although he seemed to lack weight and influence in his first couple of months in office, he has since displayed bureaucratic savvy and good instincts. However, we believe all important energy decisions are still made by the Prime Minister with some input from Deputy Prime Minister and Finance Minister Simeon Dyankov.

OUR MESSAGE  
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16. (C) Your visit is an opportunity to show support for the new government's energy policy, urge even greater transparency in the energy sector, and explain U.S. energy policy for the region, especially as it relates to how we will work with the EU on issues of diversification and relations with Russia. You may wish to emphasize the following points:

- Washington supports the Bulgarian Government's commitment to enhanced energy security, diversification and transparency in the energy sector;
- Bulgaria's large-scale energy projects should be judged on transparency, commercial-viability and diversification, not on political considerations;
- If Bulgaria continues its participation in South Stream, we hope it will rely on its Washington-based legal counsel to ensure the country's interests are protected;
- Nabucco and interconnectors are essential to breaking Gazprom's monopoly supplier position; and
- American companies are eager to help the Bulgarian nuclear sector through alternative nuclear fuel supplies and spent fuel storage capabilities -- these are quick, tangible and economically-attractive options to increase Bulgaria's energy security.

SUTTON